

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

In re: \_\_\_\_\_

Chapter 11 Case No. \_\_\_\_\_

**Lehman Brothers Holdings Inc., et al.,**

08-13555

Debtors. \_\_\_\_\_

**MARCH 2015 POST-EFFECTIVE OPERATING REPORT**

MARCH 1 2015 – APRIL 2, 2015  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS

DEBTORS' ADDRESS: LEHMAN BROTHERS HOLDINGS INC.  
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REPORT PREPARER: LEHMAN BROTHERS HOLDINGS INC., AS PLAN ADMINISTRATOR

Date: April 30, 2015

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**SCHEDULE OF DEBTORS**

The following entities (the “Debtors”) filed for bankruptcy in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on the dates indicated below. On December 6, 2011, the Bankruptcy Court confirmed the Modified Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and its Affiliated Debtors (the “Plan”). On March 6, 2012, the “Effective Date” (as defined in the Plan) occurred. The Debtors’ Chapter 11 cases remain open as of the date hereof.

	<b>Case No.</b>	<b>Date Filed</b>
Lehman Brothers Holdings Inc. (“LBHI”)	08-13555	9/15/2008
LB 745 LLC	08-13600	9/16/2008
PAMI Statler Arms LLC	08-13664	9/23/2008
Lehman Brothers Commodity Services Inc. (“LBCS”)	08-13885	10/3/2008
Lehman Brothers Special Financing Inc. (“LBSF”)	08-13888	10/3/2008
Lehman Brothers OTC Derivatives Inc. (“LOTC”)	08-13893	10/3/2008
Lehman Brothers Derivative Products Inc. (“LBDP”)	08-13899	10/5/2008
Lehman Commercial Paper Inc. (“LCPI”)	08-13900	10/5/2008
Lehman Brothers Commercial Corporation (“LBCC”)	08-13901	10/5/2008
Lehman Brothers Financial Products Inc. (“LBFP”)	08-13902	10/5/2008
Lehman Scottish Finance L.P.	08-13904	10/5/2008
CES Aviation LLC	08-13905	10/5/2008
CES Aviation V LLC	08-13906	10/5/2008
CES Aviation IX LLC	08-13907	10/5/2008
East Dover Limited	08-13908	10/5/2008
Luxembourg Residential Properties Loan Finance S.a.r.l.	09-10108	1/7/2009
BNC Mortgage LLC	09-10137	1/9/2009
LB Rose Ranch LLC	09-10560	2/9/2009
Structured Asset Securities Corporation	09-10558	2/9/2009
LB 2080 Kalakaua Owners LLC	09-12516	4/23/2009
Merit LLC	09-17331	12/14/2009
LB Somerset LLC	09-17503	12/22/2009
LB Preferred Somerset LLC	09-17505	12/22/2009

The Company has established an email address to receive questions from readers regarding its financial disclosures. The Company plans to review questions received, and for those subjects which the Company determines a response would not (i) violate a confidentiality provision, (ii) place the Company in a competitive or negotiation disadvantage, or (iii) be unduly burdensome relative to the value of information requested, the Company shall endeavor to post a response (maintaining the anonymity of the questions’ origination). The Company assumes no obligation to respond to email inquiries.

**Please email questions, with document references as needed, to:**

**[QUESTIONS@lehmanholdings.com](mailto:QUESTIONS@lehmanholdings.com)**

**The Company’s posted responses were last updated on October 30, 2014, and can be found on the Epiq website maintained for the Company:**

**[www.lehman-docket.com](http://www.lehman-docket.com) under Key Documents, Responses to Questions Submitted**

**LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED  
ENTITIES**

**BASIS OF PRESENTATION  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
MARCH 1, 2015 – APRIL 2, 2015**

The information and data included in this March 2015 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator, and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad. LBHI and certain of its Controlled Entities filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, which includes certain information as required by the Office of the US Trustee, based on the information available to LBHI at this time, but notes that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

**Other items:**

1. This Operating Report reflects cash activities from March 1, 2015 to April 2, 2015 which includes distributions to holders of Allowed Claims as part of the seventh Plan distribution on April 2, 2015.
2. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future. Cash balances and activity denominated in foreign currencies have been converted to US Dollars.
3. Beginning and ending balances include demand deposits, interest-bearing deposits with banks, U.S. and foreign money-market funds, U.S. government obligations, U.S. government guaranteed securities, investment grade corporate bonds and commercial paper, and AAA-rated asset-backed securities secured by auto loans and credit card receivables.
4. Beginning and ending cash balances are based on preliminary closing numbers and are subject to adjustment.
5. Beginning and ending cash and investment balances exclude the following:
  - Cash posted as collateral for hedging activity; and
  - Cash held at real estate owned properties or at third party real estate managers.

6. Restricted cash balances are based on preliminary estimates and are comprised of the following items as of April 2, 2015:

(\$ in millions)	Debtors					Debtor- Controlled Entities	Total Debtors and Debtor- Controlled Entities
	LBHI	LBSF	LCPI	Other	Total		
<b>Reserves for Claims:</b>							
Disputed unsecured claims <sup>(1)</sup>	\$ 1,882	\$ 1,515	\$ 16	\$ 320	\$ 3,733	\$ -	\$ 3,733
Tax claims <sup>(2)</sup>	0	25	-	4	29	-	29
Distributions on Allowed Claims (not remitted) <sup>(3)</sup>	113	1	50	4	168	-	168
Secured, Admin, Priority Claims and Other <sup>(4)</sup>	69	15	9	13	105	-	105
Subtotal, Claims Reserves	2,064	1,556	74	341	4,036	-	4,036
Cash pledged to JPMorgan (CDA) <sup>(5)</sup>	76	-	-	-	76	-	76
Citigroup and HSBC <sup>(6)</sup>	2,033	-	-	-	2,033	-	2,033
Other <sup>(7)</sup>	180	21	6	30	237	64	301
<b>Total</b>	<b>\$ 4,354</b>	<b>\$ 1,577</b>	<b>\$ 81</b>	<b>\$ 371</b>	<b>\$ 6,382</b>	<b>\$ 64</b>	<b>\$ 6,446</b>

Totals may not foot due to rounding.

- (1) Represents the cash reserve for the principal amount of the disputed unsecured claims subsequent to the seventh Plan distribution on April 2, 2015.
- (2) On March 6, 2015, the Bankruptcy Court approved a stipulation permitting the release of the Internal Revenue Service consolidated income tax cash reserve of \$390 million at LBHI. The 29 million at LBSF and LBCC represents the cash reserve for non-income tax issues.
- (3) Includes (i) approximately \$9 million related to unpaid Plan distributions to holders of Allowed Claims that are held pending resolution of certain matters with various Non-Controlled Affiliates, (ii) approximately \$69 million related to claimants subject to Office of Foreign Asset Control (“OFAC”), and (iii) \$90 million related to other open items.
- (4) Includes approximately \$32 million related to post-petition intercompany payables, \$8 million related to disputed secured claims and \$66 million related to other administrative and other activities.
- (5) Represents \$76 million of cash deposited into accounts by LBHI and pledged to JPMorgan (and its affiliates, “JPM”) pursuant to paragraph 6(b) of the Collateral Disposition Agreement (“CDA”) with JPM effective March 31, 2010; related to, but not limited to, clearance exposures and derivative exposures pending resolution of these items. In March 2015, approximately \$208 million was released to unrestricted cash due to the resolution and adjustment of certain contingent exposures.
- (6) Represents cash deposited on or prior to September 15, 2008 by the Company in connection with certain requests and/or documents executed by the Company and Citibank N.A. of approximately \$2 billion and HSBC Bank PLC of \$27 million, including interest earned thereon. The Company is in discussion with HSBC Bank and commenced litigation against Citigroup regarding these deposits, among other things.
- (7) Other includes (i) various pre-petition balances on administrative hold by certain financial institutions of \$91 million; (ii) asserted misdirected wires and other cash received by LBHI for the benefit of third parties and Non-Controlled Affiliates of approximately \$54 million; and (iii) other miscellaneous items of \$156 million.

Restricted cash balances herein do not include other cash reserves required for operating expenses, asset preservation and other commitments (e.g. anticipated investments).

**LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities**  
**Summary Schedule of Cash Receipts and Disbursements**  
**March 1, 2015 - April 2, 2015**

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

	Debtors					Debtor- Controlled Entities Total	Total Debtors and Debtor-Controlled Entities
	LBHI	LBSF	LCPI	Other	Total		
	\$ 1,551	\$ 239	\$ 259	\$ 1,173	\$ 3,223		
<b>Beginning Free Cash and Investments (03/01/15)</b>	<b>\$ 1,551</b>	<b>\$ 239</b>	<b>\$ 259</b>	<b>\$ 1,173</b>	<b>\$ 3,223</b>	<b>\$ 759</b>	<b>\$ 3,982</b>
Restricted Cash	5,278	1,829	80	426	7,613	94	7,707
<b>Beginning Total Cash and Investments</b>	<b><u>6,830</u></b>	<b><u>2,069</u></b>	<b><u>339</u></b>	<b><u>1,599</u></b>	<b><u>10,837</u></b>	<b><u>852</u></b>	<b><u>11,689</u></b>
<b>Sources of Cash</b>							
Commercial Real Estate	0	-	4	-	4	89	93
Loans (Corporate and Residential)	1	-	1	-	2	1	2
Private Equity / Principal Investing	4	-	0	-	4	80	84
Derivatives	-	81	-	2	83	-	83
Receipts from Affiliates	2,587	71	54	54	2,765	199	2,964
Other	120	0	3	0	124	2	126
<b>Total Sources of Cash</b>	<b><u>2,712</u></b>	<b><u>152</u></b>	<b><u>62</u></b>	<b><u>56</u></b>	<b><u>2,982</u></b>	<b><u>370</u></b>	<b><u>3,352</u></b>
<b>Uses of Cash</b>							
Non-Operating							
Commercial Real Estate	(1)	-	(2)	-	(3)	(7)	(10)
Loans (Corporate and Residential)	(0)	-	-	-	(0)	(0)	(0)
Payments to Creditors	(5,976)	(622)	(751)	(259)	(7,608)	(4)	(7,611)
Other	(80)	-	-	(0)	(80)	(0)	(80)
Operating Expenses	(18)	(0)	(0)	(0)	(18)	(2)	(20)
<b>Total Uses of Cash</b>	<b><u>(6,075)</u></b>	<b><u>(622)</u></b>	<b><u>(753)</u></b>	<b><u>(259)</u></b>	<b><u>(7,709)</u></b>	<b><u>(13)</u></b>	<b><u>(7,722)</u></b>
<b>Net Cash Flow</b>	<b><u>(3,363)</u></b>	<b><u>(470)</u></b>	<b><u>(691)</u></b>	<b><u>(203)</u></b>	<b><u>(4,727)</u></b>	<b><u>358</u></b>	<b><u>(4,369)</u></b>
Inter-Company Transfers, Net	1,001	(6)	460	(788)	666	(666)	0
Loan Agencies, Net	(0)	-	(6)	-	(6)	5	(1)
FX Fluctuation	(3)	(0)	(0)	(0)	(3)	(1)	(4)
<b>Ending Total Cash and Investments</b>	<b><u>4,464</u></b>	<b><u>1,593</u></b>	<b><u>101</u></b>	<b><u>608</u></b>	<b><u>6,766</u></b>	<b><u>549</u></b>	<b><u>7,315</u></b>
Restricted Cash	(4,354)	(1,577)	(81)	(371)	(6,382)	(64)	(6,446)
<b>Ending Free Cash and Investments (04/02/15)</b>	<b><u>\$ 111</u></b>	<b><u>\$ 16</u></b>	<b><u>\$ 20</u></b>	<b><u>\$ 236</u></b>	<b><u>\$ 384</u></b>	<b><u>\$ 485</u></b>	<b><u>\$ 869</u></b>

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".

Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities  
Schedule of Cash Receipts and Disbursements  
March 1, 2015 - April 2, 2015

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

	Debtors					Debtor- Controlled Entities Total	Total Debtors and Debtor- Controlled Entities
	LBHI		LBSF		LCPI		
	Other	Total	Other	Total	Other	Total	
<b>Beginning Free Cash and Investments (03/01/15)</b>	\$ 1,551	\$ 239	\$ 259	\$ 1,173	\$ 3,223	\$ 759	\$ 3,982
Restricted Cash	5,278	1,829	80	426	7,613	94	7,707
<b>Beginning Total Cash and Investments</b>	<b>6,830</b>	<b>2,069</b>	<b>339</b>	<b>1,599</b>	<b>10,837</b>	<b>852</b>	<b>11,689</b>

**Sources of Cash**

Commercial Real Estate							
Principal	(a)	0	-	4	-	4	87
Interest		0	-	0	-	0	2
Loans (Corporate and Residential)							
Principal		1	-	1	-	1	0
Interest		0	-	0	-	1	0
Private Equity / Principal Investing							
Principal	(b)	0	-	0	-	1	80
Interest and Dividends		3	-	0	-	3	0
Derivatives							
Return / (Posting) of Hedging Collateral, net		-	(2)	-	-	(2)	-
Collections from Live / Terminated Trades		-	83	-	2	85	-
Receipts from Affiliates							
Distributions from Non-Controlled Affiliates	(c)	1,598	24	1	25	1,647	35
Plan Distributions from Debtors	(d)	989	47	53	29	1,118	164
Other							
Other	(e)	120	0	3	0	124	2
<b>Total Sources of Cash</b>		<b>2,712</b>	<b>152</b>	<b>62</b>	<b>56</b>	<b>2,982</b>	<b>370</b>
							<b>3,352</b>

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".  
Totals may not foot due to rounding.

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities  
Schedule of Cash Receipts and Disbursements  
March 1, 2015 - April 2, 2015

Unaudited (\$ in millions, foreign currencies reflected in USD equivalents)

	Debtors				Debtor- Controlled Entities Total	Total Debtors and Debtor- Controlled Entities		
	LBHI	LBSF	LCPI	Other				
<b>Uses of Cash</b>								
Non-Operating								
Commercial Real Estate								
Preservation of Assets	(1)	-	(2)	-	(3)	(7)	(10)	
Loans (Corporate and Residential)								
Preservation of Assets	(0)	-	-	-	(0)	(0)	(0)	
Payments to Creditors								
Plan Distributions	(f)	(5,929)	(573)	(751)	(259)	(7,513)	-	(7,513)
Payments to Creditors		(47)	(49)	-	-	(95)	-	(95)
Payments to Creditors - Non Controlled Affiliates	(0)	-	-	-	(0)	(4)	(4)	
Other								
Other	(80)	-	-	(0)	(80)	(0)	(80)	
Operating Expenses	(g)							
Compensation and Benefits	(h)	(5)	-	-	-	(5)	(1)	(5)
Professional Fees		(11)	-	(0)	(0)	(11)	(0)	(12)
Other	(i)	(2)	(0)	(0)	(0)	(2)	(1)	(3)
<b>Total Uses of Cash</b>	<b>(6,075)</b>	<b>(622)</b>	<b>(753)</b>	<b>(259)</b>	<b>(7,709)</b>	<b>(13)</b>	<b>(7,722)</b>	
<b>Net Cash Flow</b>	<b>(3,363)</b>	<b>(470)</b>	<b>(691)</b>	<b>(203)</b>	<b>(4,727)</b>	<b>358</b>	<b>(4,369)</b>	
Inter-Company Receipts	(j)	1,069	33	470	26	1,598	64	1,662
Inter-Company Disbursements	(j)	(68)	(39)	(11)	(814)	(932)	(730)	(1,662)
Loan Agencies, Net		(0)	-	(6)	-	(6)	5	(1)
FX Fluctuation		(3)	(0)	(0)	(0)	(3)	(1)	(4)
<b>Ending Total Cash and Investments</b>	<b>(k)</b>	<b>4,464</b>	<b>1,593</b>	<b>101</b>	<b>608</b>	<b>6,766</b>	<b>549</b>	<b>7,315</b>
Restricted Cash	(l)	(4,354)	(1,577)	(81)	(371)	(6,382)	(64)	(6,446)
<b>Ending Free Cash and Investments (04/02/15)</b>	<b>\$ 111</b>	<b>\$ 16</b>	<b>\$ 20</b>	<b>\$ 236</b>	<b>\$ 384</b>	<b>\$ 485</b>	<b>\$ 869</b>	

All values that are exactly zero are shown as "-". Values between zero and \$0.5 million appear as "0".

LEHMAN BROTHERS HOLDINGS INC. and other Debtors and Debtor-Controlled Entities

Schedule of Cash Receipts and Disbursements

March 1, 2015 - April 2, 2015

Unaudited (\$)

Notes:

(a) Cash collections at Debtor-Controlled Entities include \$78 million at Property Asset Management Inc. primarily related to the sales of land in California and New York of \$43 million and \$22 million, respectively.

(b) Cash collections at LB I Group primarily include (i) \$52 million of additional proceeds from the realization of the Firth Rixson investment in November 2014, and (ii) a \$26 million for dividend payment related to the Formula One investment, which was subsequently transferred to LCPI as beneficial owner of the Formula One investment.

(c) Receipts from Non-Controlled Affiliates include the following distributions:

(\$ in millions)	LBHI	LBSF	LCPI	Debtor- Controlled Entities			Total	(i)
				Other Debtors				
Lehman Brothers Treasury Co. B.V. ("LBT")	\$ 77	\$ 24	\$ -	\$ 1	\$ -	\$ -	\$ 102	(i)
Lehman Brothers Securities N.V. ("LBS")	101	-	-	-	-	-	101	(i)
LB UK Financing Ltd	75	-	-	-	-	-	75	(ii)
Lehman Brothers Asia Holdings Ltd	409	-	-	9	34	-	452	
Lehman Brothers Securities Asia Ltd	260	-	-	-	-	-	260	
Lehman Brothers Finance S.A.	250	-	-	-	-	-	250	
Lehman Brothers Inc.	211	-	1	14	-	-	226	(iii)
Lehman Brothers Commercial Corp. Asia Ltd	103	-	-	-	-	-	103	
Other	113	-	-	-	0	-	113	(iv)
	<b>\$ 1,598</b>	<b>\$ 24</b>	<b>\$ 1</b>	<b>\$ 25</b>	<b>\$ 35</b>	<b>\$ 1,682</b>		

(i) Pursuant to agreements with these entities, LBHI deducted and withheld these amounts from its seventh Plan distribution ("Withheld Distributions") to offset amounts due to LBHI, LBSF and LBCS from these entities. The Withheld Distributions were then distributed to LBSF, LBCS and LBHI for inclusion in their respective seventh Plan distributions.

(ii) In March 2015 LB UK Financing Limited ("UK Financing") assigned its gross claim against LBHI of \$2,875 million, net of distributions, to LBHI. Pursuant to Section 8.11 of the Plan, claims transferred after the Confirmation Date are to be treated for distribution purposes as if such claims were held by the transferor. LBHI has reflected its distribution on this assigned claim as a receipt.

(iii) Approximately \$55 million at LBHI was collected on behalf of Lehman Brothers Bancorp, Inc.

(iv) Other primarily includes distributions to LBHI of (a) \$51 million from Lehman Brothers Equity Finance, (b) \$22 million from Lehman Brothers Investments PTE, (c) \$19 million from Lehman Brothers PTG Ltd, and (d) \$13 million from LB UK RE Holdings Ltd.

(d) Plan Distributions from Debtors include distributions to Debtors and Debtor-Controlled Entities.

(e) Other includes the net variation margin of \$105 million pursuant to the Company's foreign currency hedging program related to movements in the Euro, British Pound, Swiss Franc and Japanese Yen.

(f) Plan Distributions include distributions to holders of Allowed Claims and distributions related to Plan Adjustments from Participating Subsidiary Debtors. These amounts also include Withheld Distributions from LBHI to LBT and LBS of \$102 million and \$101 million, respectively, and a distribution related to the assigned claim from UK Financing of \$75 million, as described above in footnote (c). Refer to Appendix A for additional information on Allowed Claims eligible for distribution for certain Debtors and by Plan Class.

(g) A portion of the Operating Expenses paid by LBHI is subject to allocations to, and reimbursement from, various Controlled Entities.

(h) Compensation and Benefits includes the Company's employee expenses as well as fees paid to Alvarez & Marsal (A&M).

(i) Operating Expenses - Other includes payments related to outsourced services, IT, occupancy, taxes, insurance and other general administrative items.

(j) Inter-Company Receipts and Disbursements primarily include (i) loans from LOTC of \$605 million, LBDP of \$100 million and LBCC of \$35 million to LBHI, secured by certain LBHI assets, (ii) loans from LBFP to LCPI and LBSF of \$50 million and \$20 million, respectively, secured by certain LCPI and LBSF assets, and (iii) investments of \$24 million of LBSF's cash reserves in secured notes issued by LBHI. Inter-Company Receipts and Disbursements also include partial repayments on intercompany balances, settlement of costs allocation, dividend distributions and other administrative activities.

(k) Ending Total Cash and Investments for Debtor-Controlled Entities - Other includes \$64 million of cash balances at Debtor-Controlled Entities in Asia.

(l) Restricted cash balance decreased approximately \$1.2 billion primarily due to (i) a decrease in reserves for disputed unsecured claims of \$604 million, (ii) the release of tax cash reserve of \$390 million, and (iii) the release of cash deposited into accounts by LBHI and pledged to JPM of \$208 million.

**LEHMAN BROTHERS HOLDINGS INC. AND OTHER DEBTORS AND DEBTOR-CONTROLLED  
ENTITIES**

**BASIS OF PRESENTATION  
SCHEDULE OF PROFESSIONAL FEE AND EXPENSE DISBURSEMENTS  
MARCH 1, 2015 – APRIL 2, 2015**

The information and data included in this March 2015 Post-Effective Operating Report (the “Operating Report”) are derived from sources available to Lehman Brothers Holdings Inc. (“LBHI”), as Plan Administrator and its Controlled Entities (collectively, the “Company”). The term “Controlled Entities” refers to those entities that are directly or indirectly controlled by LBHI, and excludes, among others, those entities that are under separate administrations in the United States or abroad. LBHI and certain of its Controlled Entities had filed for protection under Chapter 11 of the Bankruptcy Code, and those entities are referred to herein as the “Debtors”. The Debtors’ Chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure. LBHI has prepared this Operating Report, including certain information as required by the Office of the United States Trustee, based on the information available to LBHI at this time, but note that such information may be incomplete and may be materially deficient in certain respects. This Operating Report is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. LBHI reserves all rights to revise this report.

1. This Operating Report is not prepared in accordance with U.S. generally accepted accounting principles (GAAP), is not audited and will not be subject to audit or review by the Company’s external auditors at any time in the future.
2. The professional fee disbursements presented in this report reflect the date of actual cash payments to professional service providers. The Company has incurred additional professional fee expenses during the reporting period that will be reflected in future Operating Reports as cash payments are made to providers.
3. The professional fee disbursements presented in this report have primarily been paid by LBHI; a portion of these fees have been and will be allocated to Debtors and certain Controlled Entities based on the dedicated costs associated with each entity and an allocation methodology.

**LEHMAN BROTHERS HOLDINGS INC. and Other Debtors and Debtor-Controlled Entities**  
**Schedule of Professional Fee and Expense Disbursements**  
**March 2015 (a)**

**Unaudited (\$ in thousands)**

			<b>Mar-15</b>	<b>Year-to-date</b>
Alvarez & Marsal LLC	Interim Management		\$ 1,774	\$ 5,221
<b>Professional Fees</b>				
Akerman Senterfitt & Eidson PA	Special Counsel		56	184
Curtis, Mallet-Provost, Colt & Mosle LLP	Litigation Counsel		504	1,278
Dechert LLP	Special Counsel		-	225
Epiq Bankruptcy Solutions LLC	Claims Management and Noticing Agent		377	641
Jones Day	Litigation Counsel		768	1,950
Jones & Keller, P.C.	Special Counsel - Residential Real Estate		755	1,226
Milbank Tweed Hadley & McCloy LLP	UCC Litigation Committee and Litigation Counsel		102	430
Paul, Hastings, Janofsky & Walker LLP	Special Counsel - Real Estate		73	318
Quinn Emanuel Urquhart Oliver & Hedges, LLP	Litigation Counsel		1,575	4,352
Recovco Mortgage Management LLC	RMBS - Private Label And Downstream Litigations		207	810
Skadden, Arps, Slate, Meagher & Flom LLP	Special Counsel - Tax, Litigation, Other, and BOD Counsel		64	254
Weil Gotshal & Manges LLP	Lead Counsel - Debtors		2,663 (b)	6,870
Willkie Farr & Gallagher LLP	Special Counsel - Real Estate		125	1,077
Wollmuth Maher & Deutsch LLP	Special Counsel - Derivatives and Resi		765	1,596
US Trustee Quarterly Fees			-	243
Other Professionals	Various		3,659 (c)	8,457
<b>Sub-total Professional Fees</b>			<b>11,694</b>	<b>29,912</b>
<b>Total Professional Fees (including A&amp;M)</b>			<b>\$ 13,468</b>	<b>\$ 35,133</b>

(a) The Company has incurred additional professional fee expenses that will be reflected in future Operating Reports.

(b) Reflects professional fees incurred for multiple months.

(c) Other Professionals reflect disbursements, including expert witnesses fees, to over 100 vendors.

## Appendix A

**Lehman Brothers Holdings, Inc. & Certain Other Debtors**  
Allowed Claims Eligible for Distribution

			D7 Activity Bridge					
Debtor	Class	Designation	Allowed Claims Eligible		Claims Satisfied in Full		Allowed Claims Eligible	
			for Distributions at D6 (1)	Newly Allowed Claims (2)	(3) and Other (4)	for Distributions at D7 (1)		
<b>Lehman Brothers Holdings Inc.</b>								
3	Senior Unsecured		\$ 83,744.0	\$ -	\$ 0.0	\$ 83,744.0		
4A	Senior Affiliate Claims		58,822.0	-	-	58,822.0		
4B	Senior Affiliate Guarantee		11,124.4	-	(56.3) <sup>(3)</sup>	11,068.1		
5	Senior Third-Party Guarantee		37,773.5	863.9	(3,500.5) <sup>(3)</sup>	35,137.0		
7	General Unsecured		3,306.1	7.8	-	3,313.9		
8	Derivative Affiliate / Affiliate Guarantee Claims		525.8	-	(20.9) <sup>(3)</sup>	504.9		
9A	Third Party Guarantee Derivatives		24,631.6	945.4	-	25,577.0		
9B	Third Party Guarantee Derivatives RACER's		1,947.7	-	-	1,947.7		
10A	Subordinated Class 10A Claims		3,399.1	-	-	3,399.1		
10B	Subordinated Class 10B Claims		10,330.4	-	-	10,330.4		
10C	Subordinated Class 10C Claims		1,492.9	-	-	1,492.9		
	Total		\$ 237,097.6	\$ 1,817.2	\$ (3,577.7)	\$ 235,337.0		
<b>Lehman Commercial Paper Inc.</b>								
4A	GUC not Designated Entities		\$ 1,527.9	\$ -	\$ -	\$ 1,527.9		
4B	GUC Designated Entities		5,230.0	-	-	5,230.0		
5A	Affiliate Claims of LBHI		13,732.6	-	-	13,732.6		
5B	Affiliate Claims of Participating Subs		5.5	-	-	5.5		
5C	Affiliate claims		5,316.4	-	(85.0) <sup>(4)</sup>	5,231.3		
	Total		\$ 25,812.3	\$ -	\$ (85.0)	\$ 25,727.3		
<b>Lehman Brothers Special Financing Inc.</b>								
4A	GUC not Designated Entities		\$ 17,562.0	\$ 256.8	\$ -	\$ 17,818.8		
4B	GUC Designated Entities		1,947.7	-	-	1,947.7		
5A	Affiliate Claims of LBHI		15,340.7	-	-	15,340.7		
5B	Affiliate Claims of Participating Subs		521.5	-	-	521.5		
5C	Affiliate claims		1,597.9	-	(0.1) <sup>(4)</sup>	1,597.8		
	Total		\$ 36,969.8	\$ 256.8	\$ (0.1)	\$ 37,226.5		
<b>Lehman Brothers Commodity Services Inc.</b>								
4	GUC		\$ 2,056.6	\$ 13.9	\$ -	\$ 2,070.5		
5A	Affiliate Claims of LBHI		939.5	-	-	939.5		
5B	Affiliate Claims of Participating Subs		-	-	-	-		
5C	Affiliate claims		20.0	-	-	20.0		
	Total		\$ 3,016.2	\$ 13.9	\$ -	\$ 3,030.1		
<b>Lehman Brothers Commercial Corporation</b>								
4	GUC		\$ 278.0	\$ 27.8	\$ -	\$ 305.8		
5A	Affiliate Claims of LBHI		-	-	-	-		
5B	Affiliate Claims of Participating Subs		571.7	-	-	571.7		
5C	Affiliate claims		407.0	-	-	407.0		
	Total		\$ 1,256.8	\$ 27.8	\$ -	\$ 1,284.6		

<sup>1</sup> "Allowed" claims as reported in aggregate on Exhibit B of the Sixth and Seventh Distribution Notice filed on September 25th, 2014 and March 26th, 2015, respectively

<sup>2</sup> Claims Allowed subsequent to the Sixth Distribution

<sup>3</sup> Represents claims that were Allowed as of the Sixth Distribution that were subsequently satisfied in full through the combination of the primary obligor and guarantee distributions from LBHI, including a \$3.5 billion claim (claim no. 67122)

<sup>4</sup> Certain allowed Claims at LCPI and LBSF have reduced pursuant to the Bankhaus Settlement Agreement included in Exhibit 3 of the Plan